

## Message Text

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ORIGIN TRSE-00

INFO OCT-01 ARA-06 ISO-00 AGR-05 CEA-01 CIAE-00 COME-00

DODE-00 EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

ITC-01 PRS-01 SP-02 FEAE-00 OMB-01 NSCE-00 SSO-00

USIE-00 INRE-00 /080 R

DRAFTED BY TREASURY:POSUCHMAN:KAM

APPROVED BY EB/OT/STA:WCLARK, JR.

EB/OT/STA:MCJONES

ARA/BR:TSHUGART

ARA/ECP:MDAVILA

----- 075228

O 091500Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA IMMEDIATE

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E.O. 11652: N/A

TAGS: ETRD, BR

SUBJECT: COUNTERVAILING DUTIES -- WAIVER ON HANDBAGS FROM  
BRAZIL -- CVD RATES ON FOOTWEAR

REF: STATE 164211

1. ON JULY 7, SECRETARY OF THE TREASURY SIMON SIGNED  
DETERMINATION WAIVING IMPOSITION OF 14 COUNTERVAILING DUTY  
ON BRAZILIAN LEATHER HANDBAGS. WAIVER APPLIES TO HANDBAGS  
EXPORTED ON OR AFTER JULY 1, 1976. TEXT OF WAIVER BEING  
SENT SEPTEL.

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2. WAIVER WILL BE PUBLISHED IN FEDERAL REGISTER JULY 13.

REPORTS TO BOTH HOUSES OF CONGRESS ON WAIVER, AS REQUIRED BY STATUTE, WILL BE TRANSMITTED IN NEXT FEW DAYS.

3. TREASURY HAS HEARD RUMORS THAT THE GOB HAS ALLOWED BRAZILIAN EXPORTERS OF LEATHER HANDBAGS TO FIX IN ADVANCE OF JULY 1, AND DATE OF EXPORT, THE AMOUNT OF EXPORT INCENTIVES (TAX CREDITS) WHICH WILL BE PAID WHEN EXPORTATION ACTUALLY TAKES PLACE. ALLEGEDLY THE SYSTEM ALLOWS EXPORTERS TO CONTINUE TO RECEIVE, FOR A PERIOD OF TIME, THE FULL ICM CREDITS EVEN AFTER THE REDUCTION OF CREDITS WHICH WENT INTO EFFECT ON JULY 1.

EMBASSY IS REQUESTED TO CONTACT APPROPRIATE GOB OFFICIALS FOR THEIR COMMENT AND REPORT DISCUSSION ON PRIORITY BASIS. SUCH ACTION WOULD AMOUNT TO CIRCUMVENTION OF GOB STEPS IN REDUCING CREDITS, AND WOULD REQUIRE TREASURY TO RECONSIDER HANDBAG WAIVER.

4. FYI. CONGRESSIONAL AND INDUSTRY PRESSURE TO OVERRIDE WAIVER CONTINUES TO GROW. ANY HINT THAT GOB HAS NOT FULLY COMPLIED WITH ITS COMMITMENT TO REDUCE ICM TAX CREDITS FOR EXPORTS ON OR AFTER JULY 1 WOULD SUPPLY AMMUNITION TO THOSE MOUNTING EFFORT TO OVERRIDE. END FYI.

5. NEW LIST OF BRAZILIAN LEATHER FOOTWEAR MANUFACTURERS, AND APPLICABLE COUNTERVAILING DUTY RATES WILL BE DISTRIBUTED BY CUSTOMS, APPLICABLE TO ENTRIES AS OF JANUARY 1, 1976 WITHIN NEXT FEW DAYS. LIST REFLECTS DATA SUPPLIED TO TREASURY BY BRAZILIAN FINANCE MINISTRY EARLIER THIS YEAR. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LEATHER, TRADE LIBERALIZATION, COUNTERVAILING DUTIES, HANDBAGS, TREATY ENTRY INTO FORCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 JUL 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976STATE170005  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** POSUCHMAN:KAM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760265-0496  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 91  
**Locator:** TEXT ON-LINE, ON MICROFILM  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 164211  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2004  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** COUNTERVAILING DUTIES -- WAIVER ON HANDBAGS FROM BRAZIL -- CVD RATES ON FOOTWEAR  
**TAGS:** ETRD, BR, US  
**To:** BRASILIA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006